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Economic statistics: national accounts

Report of the Task Force on National Accounts

Note by the Secretary-General

Addendum

Publication of the handbook on non-profit institutions in the System of National Accounts

The Secretary-General has the honour to transmit to the Statistical Commission an information note concerning the publication of the handbook on non-profit institutions in the System of National Accounts.

Information note concerning the publication of the handbook on non-profit institutions in the System of National Accounts

1. The handbook on non-profit institutions in the System of National Accounts (SNA) has been prepared in close collaboration between the Johns Hopkins University Center for Civil Society Studies and the United Nations Statistics Division. The draft handbook was reviewed by a United Nations expert group meeting of SNA experts, which was held in New York from 10 to 12 July 2001. The revised draft was later cleared by the Intersecretariat Working Group on National Accounts. It is now being prepared for publication by the United Nations Statistics Division as part of its series of handbooks on national accounts to assist countries in their compilation of national accounts. The handbook is already available in draft format at the Division's web site on national accounts.

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2. In its central framework of accounts, the SNA classifies the non-profit institutions (NPIs) in four institutional sectors:

- The non-financial sector;
- The financial sector;
- The general government sector;
- The non-profit institutions serving households sector (NPISHs).

3. In national accounts practices that are common in many countries, the NPISHs sector is often aggregated to the household sector and as a result data on non-profit institutions are rarely singled out for collection or analysis. In response to the growing importance of NPIs in every country, particularly with respect to health, education and social services, the handbook has been prepared to serve the following two purposes:

- To transfer other non-profit activities that are now included as part of the financial corporations sector, the non-financial corporations sector and the general government sector by the SNA in order to group them into an NPI satellite account. The new NPI account includes the NPIs serving households (NPISHs) and the NPIs serving the interests of those sectors. This reclassification of the SNA to form a single NPI for study is an attempt to respond to the analytical needs of policy makers who are searching for ways to improve public services and reduce the size of government. In addition, this elaboration will help improve the effort to provide and collect more comprehensive data on NPIs. The NPI satellite account only reclassifies the institutional units of the economy; the scope of the economy's constituent units remains the same.
- To extend the NPI satellite accounts to incorporate the following important changes:
  - Imputation of values to volunteer labour, which is a common and important feature of NPI activities but for which the SNA makes no allowance;
  - Imputation of non-market output provided by market NPIs by operating expenses. This imputation is designed to take account of non-market activities provided free to users by market NPIs, such as educational and health institutions.